
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-302 - September 24, 1991

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning the provision of health benefits coverage for an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant worked in a classified position for the Respondent from July 20, 1989 until he was laid off around June 12, 1990. The Complainant subsequently accepted other employment. The Complainant has stated that when he began working for the Respondent, the Respondent provided health benefits coverage through Blue Cross and Blue Shield.

The Complainant has submitted copies of unpaid bills incurred by his spouse for medical services rendered on December 4 and 5, 1989 and during her hospitalization from December 15, 1989 until January 5, 1990. At the time of her hospital admission, hospital staff contacted Blue Cross and Blue Shield and were advised that coverage provided by the Respondent through that carrier was in effect. The hospital submitted claims to that carrier; however, the Complainant was notified by the carrier in January 1990 that the claims would not be paid because his coverage was cancelled prior to the date of service. The Complainant contends that the Respondent failed to maintain coverage as required by the Wage Agreement and is required to pay his outstanding medical bills.

The Complainant has stated that the Respondent provided coverage through HealthAmerica, a health maintenance organization (HMO), sometime after his coverage through Blue Cross and Blue Shield was terminated. The Complainant states that he did not choose the HMO coverage in lieu of Employer Plan coverage, and he does not know when this change in coverage was made. The Complainant has submitted a copy of a form letter he received from HealthAmerica thanking him for subscribing to the HMO and enclosing identification cards for himself and each

covered member of his family. The letter is undated and the Complainant states that he no longer has the identification cards. The Complainant states that this information was received sometime in January 1990. The Complainant has stated that shortly after he received the cards, he was told that this coverage had also been terminated.

Information provided to the Funds by Blue Cross and Blue Shield indicates that coverage provided by the Respondent through that carrier was only in effect for the month of August 1989. Information provided by HealthAmerica indicates that the Complainant was enrolled in the HMO under a group plan paid for by the Respondent from October 1, 1989 through January 31, 1990. Additional information provided to the Funds indicates that the Respondent subsequently provided coverage through a third party claims administrator; however, this arrangement was terminated July 1, 1990 due to the Respondent's non-payment of claims and administrative fees.

Dispute

Whether the Respondent is responsible for payment of the Complainant's unpaid medical bills.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the Complainant's medical bills because those bills are unpaid due to the Respondent's failure to maintain the Complainant's health benefits coverage.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides in pertinent part:

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an Insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans....

Article I (1), (2) and (4) of the Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1988, as amended from time to time and any successor agreement.
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II A. (4) of the Employer Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III A. (10) (a) of the Employer Benefit Plan provides in pertinent part:

Article III - Benefits

A. Health Benefits

(10) General Provisions

(a) HMO Election

Any Beneficiary as described in Article II, Sections A, B, C, and E may elect coverage by a certified health maintenance organization (HMO) in lieu of the health benefits provided under this Plan, in accordance with Federal or State laws governing HMO's; provided, however, that all Beneficiaries in a family shall be governed by an HMO election.

Discussion

Article XX Section (c)(3)(i) of the 1988 Wage Agreement requires an Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for it Employees. The Wage Agreement stipulates that benefits provided by an Employer pursuant to such Plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such Plan.

Article II A. (4) of the Employer Benefit Plan provides health benefits coverage for an active Employee working in a classified job for a signatory Employer. Inasmuch as the Complainant was actively employed in a classified position by the Respondent from July 20, 1989 until he was laid-off in June 1990, the Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents during that period.

Article III A. (10) (a) of the Employer Benefit Plan provides that an Employee may elect coverage by an HMO in lieu of the health benefits provided under the Employer Benefit Plan, and that all beneficiaries in a family shall be governed by such HMO election. The Complainant in this case has unpaid medical bills which were incurred by his spouse in December 1989 and January 1990. Although the Respondent apparently provided coverage through an HMO at the time the Complainant's bills were incurred, the Complainant states that he did not elect such coverage in lieu of the health benefits provided under the Employer Benefit Plan, that he had not been notified of such coverage when the bills were incurred, and that his coverage through Blue Cross and Blue Shield had been confirmed by the provider at the time the bills were incurred. The Respondent has not responded to repeated requests for information concerning this dispute. Absent evidence that this HMO coverage was offered by the Respondent and elected by the Complainant in lieu of the benefits provided under the Employer Benefit Plan, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents during December 1989 and January 1990, consistent with the terms of the Employer Benefit Plan.

Opinion of the Trustees

Absent evidence that HMO coverage was offered by the Respondent and elected by the Complainant in lieu of the benefits provided under the Employer Benefit Plan, the Respondent is responsible for payment of the Plan-covered medical expenses incurred by the Complainant and his eligible dependents during December 1989 and January 1990, consistent with the terms of the Employer Benefit Plan.